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## UNITED STATES BANKRUPTCY COURT

JAN 78 2015

EASTERN DISTRICT OF CALIFORNIA UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA

4 In re: SALMA H. AGHA,

Case No. 10-16183-A-7 Adversary No. 14-01155

Debtor(s).

SALMA H. AGHA, an individual,

Plaintiff(s),

THE UNITED STATES OF AMERICA, et al.,

Defendant(s). 14

> RECOMMENDATION BY CHIEF BANKRUPTCY JUDGE THAT REFERENCE BE WITHDRAWN PURSUANT TO 28 U.S.C. § 157(d)

The existence of the Complaint in Agha v. United States, et al., Adversary Proceeding No. 14-01155, filed Dec. 31, 2014, has been bought to the attention of the undersigned for guidance as to administration in his capacity as Chief Bankruptcy Judge.

Upon review of the Complaint, and without intimating any view as to the merits of the factual assertions or legal theories asserted in the Complaint, it appears that the most appropriate judicial officer to preside over the action would be a United States District Judge vested with full authority to exercise the Judicial Power of the United States pursuant to Article III of the United States Constitution.

The matter is pending in the United States Bankruptcy Court

by virtue of the standing Order of Reference of the District Court issued pursuant to 28 U.S.C. § 157(a) referring to the Bankruptcy Judges of the district all cases under title 11 and all proceedings arising under title 11 or arising in or related to title 11. The plaintiff is the debtor in <a href="In re Salma H. Agha">In re Salma H. Agha</a>, Chapter 7 Case No. 10-16183, U.S. Bankruptcy Court, E.D. Cal.

The United States District Court has the power to withdraw the reference pursuant to 28 U.S.C. § 157(d): "The district court may withdraw, in whole or in part, any case or proceeding referred under this section, on its own motion or on timely motion of any party, for cause shown." 28 U.S.C. § 157(d) (first sentence).

The 89-page Complaint names as defendants, among others, the United States and approximately sixty other parties, including sitting judicial officers, attorneys in the U.S. Department of Justice, the chapter 7 trustee, private sector attorneys and law firms, real estate professionals and real estate firms, and banking institutions.

The legal theories invoked in the 89-page Complaint are asserted under titles 18 and 42 of the United States Code (in addition to a count for violation of the bankruptcy automatic stay under 11 U.S.C. § 362), various California state statutes, and other nonstatutory theories.

The demand for relief seeks, among other relief, restoration to plaintiff of her residence and a limited liability company in which she claims an interest, restoration to plaintiff of control of a lawsuit in a state court, and compensatory and punitive damages of \$100 million.

While intimating no view as to the merits of the Complaint, it is apparent that the authority of a Bankruptcy Judge to render a final judgment does not extend to, at least, some of the causes of action, because a Bankruptcy Judge is not appointed pursuant to Article III of the United States Constitution. In contrast, there is no doubt that a District Judge, who is appointed under Article III, does exercise the full Judicial Power of the United States.

Since the Complaint invokes theories and seeks relief that would (if within federal jurisdiction and if meritorious) necessitate the exercise of the full Judicial Power of the United States, it follows that the presiding judicial officer should be a United States District Judge.

Accordingly, it is submitted that "cause" within the meaning of 28 U.S.C. § 157(d) exists to withdraw the reference.

It is RECOMMENDED that the reference of <u>Agha v. United</u>

<u>States, et al.</u>, Adversary Proceeding No. 14-01155, filed Dec. 31,

2014, be withdrawn.

Dated: January 08, 2015

United States Bankruptcy Judge

## INSTRUCTIONS TO CLERK OF COURT SERVICE LIST The Clerk of Court is instructed to send the attached document, via the BNC, to the following parties: Salma H. Agha 6 Windwood Irvine CA 92604 Salma H. Agha 10001 Venice Blvd. #402 Los Angeles, CA 90034 Salma H. Agha 11622 Harrington St. Bakersfield, CA 93311